

**BEFORE THE NORTH CAROLINA UTILITIES COMMISSION  
DOCKET NO. E-100, SUB 126**

<b>In the Matter of:</b>	)	
<b>Investigation of Integrated Resource</b>	)	<b>NCSEA’S COMMENTS ON</b>
<b>Planning in North Carolina – Smart Grid</b>	)	<b>PROPOSED AMENDMENT</b>
<b>Technology Plans</b>	)	<b>TO COMMISSION RULE</b>
	)	<b>R8-60 AND ELIMINATION</b>
	)	<b>OF RULE R8-60.1</b>

**NCSEA’S COMMENTS**

The North Carolina Sustainable Energy Association (“NCSEA”) submits these comments in accordance with the *Order Allowing Comments on Proposed Amendment to Commission Rule R8-60 and Elimination of Rule R8-60.1, and Suspending Filing of Smart Grid Technology Plans* issued by the North Carolina Utilities Commission (“Commission”) in the above-captioned docket on August 13, 2019 (“*Order Allowing Comments*”). In the *Order Allowing Comments*, the Commission requested comments on proposed amendments to Rule R8-60 and the deletion of Rule R8-60.1.

In the *Order Declining to Adopt Federal Standards* filed by the Commission in North Carolina Docket No. E-100, Sub 123, the Commission provided the reasoning for a two-year smart grid technology plan rule, stating:

Because smart grid technologies and costs are evolving and will unfold over a fairly long time horizon, the Commission believes it would be appropriate to establish a process whereby utilities would provide, and periodically update, their smart grid technology plans and submit them to the Commission for review. The Commission agrees with the many witnesses who testified that advanced technologies under the smart grid umbrella have tremendous potential to improve service to electric customers. Such technologies promise greater reliability, more effective system operations, better customer information and improved planning. Some smart grid technology could provide the foundation for more effective and expanded EE and DSM programs by controlling appliances so that they use energy more effectively and by educating customers about their energy use. Some smart grid technologies will be needed to address the increased use of

electric vehicles in the future. The Commission finds and concludes that requiring electric utilities to include their smart grid technology plans in their IRPs will allow all parties to better anticipate and plan for the customer impacts, both in terms of costs and services, from smart grid investments.

*Order Declining to Adopt Federal Standards*, Docket No. E-100, Sub 123, December 18, 2009, pp. 20-21.

NCSEA was an early and consistent proponent of smart grid technology plan filings and specifically including the accounting for new technologies and their effects to the grid: “NCSEA believes that including smart grid technology plans in the IRP process would expose technology investments in smart grid to new levels of transparency and scrutiny, thus potentially resulting in more thorough and tighter smart grid plans.” *Order Amending Commission Rule R8-60 and Adopting Commission Rule R8-60.1*, p. 2, Docket No. E-100, Sub 126 (April 11, 2012).

The Commission agreed in 2012 regarding the focus of the smart grid technology plans, stating that, “the Commission agrees that the proposed amendment of Rule R8-60 should be revised to emphasize the potential impacts of smart grid technology on resource planning and load forecasting, as opposed to a smart grid technology plan irrespective of its impacts to the IRP. The Commission is persuaded that an emphasis on the impacts of smart grid technologies on resource planning and load forecasting are more aligned with the functional intent of the IRP process.” *Order Amending Commission Rule R8-60 and Adopting Commission Rule R8-60.1*, p. 7, Docket No. E-100, Sub 126 (April 11, 2012).

To that end, the Commission further required the utilities to identify and provide demand and energy benefits that come from new technologies. “Further, the Commission agrees with the recommendation that utilities should be required to identify the potential demand and energy benefits derived from the smart grid technologies deployed.” *Id.*

Despite this praiseworthy approach, the SGTP process has not led to the promise it once had. Accordingly, NCSEA does not oppose amending Rule R8-60 and repealing Rule R8-60.1 because, in NCSEA's opinion, the SGTPs have been ineffective at meeting the Commission's need to understand new technologies and their implications. NCSEA notes that Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP") (DEC and DEP collectively, "Duke") managed to craft a \$13 billion grid modernization plan without substantively discussing the investments in their SGTPs. *See generally, NCSEA's Partial Proposed Order*, Docket No. E-2, Sub 1142 (January 12, 2018) and *NCSEA's Post-Hearing Brief*, p. 32, Docket No. E-7, Sub 1146 (April 27, 2018).

NCSEA agrees with the Commission that the need to understand new technology and its economic and policy implications has not diminished. *Order Allowing Comments*, p. 2. However, Commission Rule R8-60 and Rule R8-60.1 are focused on smart grid technologies that incorporate two-way communications, while current new technologies are often classified as "grid modernization" and include investments that do not fall within the definition of "smart grid." NCSEA believes that the Commission's need to understand new technology, and its economic and policy implications, has grown since the adoption of the rules governing SGTPs.

NCSEA previously advocated that "the magnitude of the cost of the Company's proposed Power/Forward Carolinas [grid modernization] investments necessitates additional oversight to ensure that ratepayers are adequately protected and that the Commission is empowered by N.C. Gen. Stat. § 62-30 to exercise this type of general oversight." *NCSEA's Post-Hearing Brief*, p. 34, Docket No. E-7, Sub 1146. NCSEA believes that the utilities' plans for grid modernization and grid investment should be

investigated by the Commission. The fact that Commission Rule R8-60 and Rule R8-60.1 do not require such plans be included in the SGTPs highlights the insufficiency of the rules.

As such, NCSEA does not object to the proposed changes the rules included in the *Order Allowing Comments*, but believes that if the changes are adopted, the Commission should contemporaneously open a generic docket to investigate the utilities' plans for grid modernization and grid investment, and should be empowered to open similar generic dockets in the future to investigate new technologies and their economic and policy implications.

Respectfully submitted, this the 30th day of September 2019.

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**CERTIFICATE OF SERVICE**

I hereby certify that all persons on the docket service list have been served true and accurate copies of the foregoing document by hand delivery, first class mail deposited in the U.S. mail, postage pre-paid, or by email transmission with the party's consent.

This the 30th day of September 2019.

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